

JTM: USAO#2016R00088

FILED _____ ENTERED
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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**

FEB 12 2019

UNITED STATES OF AMERICA

V.

MARINA GELFEN,
DAVID GUTMAN, and
DMITRY BABICH,

Defendants.

CRIMINAL NO.

**(Conspiracy to Commit Wire Fraud,
18 U.S.C. § 1349; Forfeiture, 18
U.S.C. § 981(a)(1)(c))**

AT BALTIMORE
CLERK U.S. DISTRICT COURT
DISTRICT OF MARYLAND

DEPUTY

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INFORMATION

COUNT ONE

(Conspiracy to Commit Wire Fraud)

The United States Attorney for the District of Maryland charges that:

At all times relevant to this Information:

Introduction

1. **MARINA GELFEN** ("GELFEN"), age 55, is a resident of Reisterstown, Maryland. From 2000 to 2018, **GELFEN** owned and operated Chesapeake Pawn Brokers, located at 2012 Pulaski Highway, Edgewood, MD 21040 ("Chesapeake Pawn").

2. **DAVID GUTMAN ("GUTMAN")**, age 55, is a resident of Baltimore, Maryland.

From 2013 to 2017, **GUTMAN** worked at Chesapeake Pawn.

3. **DMITRY BABICH** (“**BABICH**”), age 48, is a resident of Owings Mills, Maryland. From 2017 to May 2018, **BABICH** worked at Chesapeake Pawn. From May of 2018 to present, **BABICH** owned and operated Chesapeake Pawn.

4. Chesapeake Pawn is a licensed pawn broker engaged in the business of buying,

selling and trading new and used products and goods. Chesapeake Pawn's broker license is currently held by, and in the name of, **BABICH**.

5. The Regional Automated Property Information Database (RAPID) is a tool used by law enforcement to track transactions conducted by pawn brokers in an effort to guard against the sale of, and aid in the recovery of, stolen merchandise. All items that are sold to pawn brokers such as and including Chesapeake Pawn must be entered into the RAPID by the pawn broker "RAPID" within 24 hours of the purchase date.

6. "Boosters" are individuals who steal merchandise from retailers and resell the merchandise to third parties such as pawn brokers for less than the amount the merchandise is sold for in the retail businesses.

Background: eBay, PayPal, UPS

7. eBay is an American multinational internet consumer-to-consumer corporation, headquartered in San Jose, California. eBay manages ebay.com, an online auction and shopping website in which people and businesses buy and sell a broad variety of goods and services worldwide. eBay's terms of service clearly prohibit the sale of stolen merchandise. See Stolen Property Policy, eBay ("Stolen property policy overview: The sale of stolen property violates state, federal, and international law, and we notify law enforcement of any attempts to sell stolen property on our site. We also support the investigation and prosecution of sellers who violate this policy. Make sure your listing follows these guidelines. If it doesn't, it may be removed, and you may be subject to a range of other actions, including limits of your buying and selling privileges and suspension of your account.")

8. Payment for the products are made electronically. The seller is responsible for shipping the product to the buyer. An eBay account is required to sell or buy on eBay. In the United States, sellers are required to accept PayPal or to have a merchant credit card account. eBay

has data centers in Utah, Arizona, and Nevada. Information is passed through all of eBay's servers to form a fluid communication between all servers to ensure information and communication continuity. eBay transactions conducted in Maryland cause wires to travel in interstate commerce.

9. PayPal is an international e-commerce business that allows payments and online money transfers to be made through the Internet. PayPal's services allow account holders to make financial transactions online by granting the ability to transfer funds electronically between individuals and businesses. PayPal operates data centers in Arizona and California. Payments processed through PayPal in Maryland cause wires to travel in interstate commerce.

10. A transaction involving eBay with payment processed by PayPal generally proceeds in six steps: (1) a buyer orders an item from eBay; (2) the buyer enters payment information; (3) the authorization request is sent to PayPal, and PayPal then sends the request of funds to the financial institution; (4) the financial institution then sends funds to PayPal; (5) funds are captured by PayPal when the payment is made by the financial institution; and (6) PayPal informs eBay that the funds have been captured, and releases the seller to ship the item.

11. United Parcel Service (UPS), headquartered in Atlanta, Georgia, is an American multinational package delivery and supply chain management company that provides definite time delivery of packages and documents worldwide. Individuals and businesses can maintain an account with UPS that allows a person or business to access shipping and tracking, obtain discounted shipping rates and manage the accounts cash flow. In order to sign up for a UPS account, a business must provide a name, address, email and user ID, and UPS will then assign the business an account number that is specific and unique to the business.

The Home Depot

12. The Home Depot, headquartered in Atlanta, Georgia, is a home improvement retail store which sells building materials and home improvement products in more than 2,200

warehouse style stores in the United States, Canada and Mexico. The Home Depot offers more than one million products for sale in-store and online, to include products manufactured and sold exclusively by The Home Depot, such as Makita, Ryobi, and Ridgid brand power tools.

The Victims

13. The act of listing and selling merchandise the seller knows to be stolen defrauds both eBay, since the sale of knowingly stolen merchandise violates eBay's policy, and also the consumers who utilize eBay relying on eBay's policies and that the sellers are in compliance therewith.

The Conspiracy and the Scheme to Defraud

14. Beginning in or about November 2015 and continuing until in or about July 2018, in the District of Maryland and elsewhere, the defendants,

**MARINA GELFEN,
DAVID GUTMAN, and
DMITRY BABICH,**

knowingly and willfully conspired and agreed together and with others known and unknown to commit any offense under chapter 63 of Title 18, United States Code, namely: to knowingly and willfully devise a scheme and artifice to defraud individuals and retail businesses, to include The Home Depot, and to obtain and attempt to obtain, by means of false and fraudulent pretenses, representations and promises, money and property from individuals and businesses, and for the purpose of executing and in furtherance of said scheme, transmitting and causing to be transmitted by means of wire communications in interstate commerce, certain signs, signals, and sounds, in violation of 18 U.S.C. § 1343; and

Object of the Conspiracy and Scheme to Defraud

15. It was the object of the conspiracy and scheme to defraud for the conspirators to purchase merchandise from "boosters" knowing the merchandise was stolen from retail

businesses, including The Home Depot.

16. It was a further object of the conspiracy and scheme to defraud for the coconspirators to sell stolen merchandise on eBay, with payments processed by PayPal, and then ship the merchandise via commercial carriers, to include UPS.

Manner and Means of the Conspiracy and Scheme to Defraud

17. It was part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown, purchased merchandise from individuals known and unknown which **GELFEN, GUTMAN, BABICH**, and others known and unknown knew was stolen from retail businesses, to include The Home Depot.

18. It was further part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown paid cash for the stolen merchandise at prices well below the retail value of the merchandise. The stolen merchandise included, but was not limited to, Makita, Milwaukee, Ryobi, Ridgid, and other brand power tools, to include drills, wrenches, saws and lithium batteries.

19. It was further part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown listed and caused to be listed the stolen merchandise for sale on eBay, often asking less than the wholesale price for the stolen merchandise, and frequently describing the stolen merchandise as “new,” “like new,” and “sealed.”

20. It was further part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown set up and caused to be set up multiple eBay accounts in their names and the names of family members and other associates in an effort to avoid detection for the sale of stolen merchandise.

21. It was part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN,**

BABICH, and others known and unknown sold and caused to be sold the stolen property via eBay, with payments processed by PayPal.

22. It was part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown set up and caused to be set up bank accounts in their names and the names of their family members and associates, which were linked to their PayPal accounts, for the purpose of receiving money transferred from individuals who purchased merchandise listed for sale on eBay.

23. It was part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown transferred and caused to be transferred funds for stolen merchandise listed for sale on eBay to the bank accounts in their names and the names of their family members and associates.

24. Between January 2015 and May 2018, over \$1.5 million dollars was received in the eBay and linked PayPal accounts. Often, these funds were then transferred between various bank accounts in the names of **GELFEN, GUTMAN, BABICH**, and their family members and associates.

25. It was further part of the conspiracy and scheme to defraud that **GELFEN, GUTMAN, BABICH**, and others known and unknown shipped and caused to be shipped the stolen merchandise from Chesapeake Pawn to purchasers using commercial carriers, including, but not limited to, the United Parcel Service (UPS).

18 U.S.C. § 1349

2-11-19
Date

Robert K. Hur by RTM
ROBERT K. HUR
UNITED STATES ATTORNEY